GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3668
ANSWERED ON:12.12.2002
INSTALLATION OF PETROL PUMPS BY OIL COMPANIES
ADHIR RANJAN CHOWDHURY;RAGHURAJ SINGH SHAKYA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a): whether the Government are aware that the Government oil companies are not installing the new petrol pumps in the country whereas the private oil companies are tapping all the potential sites which shall cause great loss of PSU`s;

(b): if so, whether the Government have not given free hand to PSU`s to appoint their dealers as per their own policy;

(c): if so, whether the Government is giving unnecessary advantage to the private sector oil companies on the cost of these PSU`s and

(d): if not, whether the Government propose to direct the oil PSU`s to gear up the work ofselection and commissioning the new sites and selection of dealers so that they may face the competition from the private players; and

(e): if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (e): In order to provide commercial freedom to the Government Oil Marketing Companies (OMCs), in the wake of the dismantling of the Administered Pricing Mechanism (APM) with effect from 1.4.2002, the Government have dissolved the Dealer Selection Boards. The selection of dealers/distributors will now be undertaken by the OMCs themselves as per the policy to be formulated by them and approved by the Government. Also, the OMCs have freedom to select locations for retail outlet dealerships, provided that the locations meet certain norms like commercial viability and non-encroachment of the existing retail outlets.